

**4309.0500 PROJECT GRANTS.**

Subpart 1. **Program funds.** Program funds shall be made available to eligible community development corporations in the form of project grants, on approval by the department of an application therefor. All applications shall be in a form prescribed by the commissioner. Project grants shall be made only with respect to projects that will be carried on within the designated community of the applicant community development corporation, except where the applicant demonstrates that a project carried on outside the designated community will have a significant impact within the designated community.

Subp. 2. **Types of grants.** Grants shall be available for planning and capital venture projects.

Subp. 3. **Planning grants.** Planning grants shall be available for:

- A. the organizational development of a community development corporation;
- B. comprehensive economic development planning for the designated community; and
- C. the development of operational funding proposals.

Subp. 4. **Capital venture grants.** Capital venture grants shall be available for two categories of projects:

- A. Business ventures: projects in this category involve the community development corporation's establishment of, assistance to existing, or purchase of a partial or full ownership interest in a business venture to be carried on for profit within the designated community.
- B. Infrastructure development: projects in this category involve the community development corporation's development of resources or facilities within its designated community that are necessary preconditions to the development of business ventures. Such projects shall be approved only where it can be shown that they will, in fact, lead to immediate business development and employment opportunities.

Subp. 5. **Priorities for approval of project applications.** Project applications that present the greatest potential for achievement of the following goals shall receive priority in the distribution of program funds:

- A. creation of employment opportunities;
- B. maximization of profits;
- C. short term economic impact on the designated community; and
- D. use of nonstate funds to complement program funds.

Subp. 6. **Restrictions on use of program funds.** No part of a project funded by program funds shall be conducted by a religious or church related institution. Projects must be entirely secular in content and purpose.

No program funds shall be expended for the cost of meals for employees or officers of community development corporations or authorized business ventures.

No program funds shall be expended for the cost of securing or developing social services.

**Statutory Authority:** *MS s 15.039; 116J.980; 116J.982*

**History:** *9 SR 111; L 1987 c 386 art 4 s 1*

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